

VZCZCXRO1455
OO RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHNE #1174/01 0461427
ZNY CCCCC ZZH
O 151427Z FEB 06 ZDK CTG SVC 1077
FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 0110
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBK/AMEMBASSY BANGKOK 5623
RUEHBJ/AMEMBASSY BEIJING 0351
RUEHLM/AMEMBASSY COLOMBO 3499
RUEHKA/AMEMBASSY DHAKA 3520
RUEHIL/AMEMBASSY ISLAMABAD 6407
RUEHBUL/AMEMBASSY KABUL 2399
RUEHKT/AMEMBASSY KATHMANDU 4165
RUEHLO/AMEMBASSY LONDON 8382
RUEHML/AMEMBASSY MANILA 1312
RUEHMO/AMEMBASSY MOSCOW 6792
RUEHNY/AMEMBASSY OSLO 0254
RUEHFR/AMEMBASSY PARIS 0799
RUEHUL/AMEMBASSY SEOUL 0878
RUEHGP/AMEMBASSY SINGAPORE 1760
RUEHKO/AMEMBASSY TOKYO 2782
RUEHCI/AMCONSUL CALCUTTA 1705
RUEHCG/AMCONSUL CHENNAI 1474
RUEHKP/AMCONSUL KARACHI 2296
RUEHLH/AMCONSUL LAHORE 2124
RUEHBI/AMCONSUL MUMBAI 0733
RUEHPW/AMCONSUL PESHAWAR 2806
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUCNDT/USMISSION USUN NEW YORK 9149
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON DC
RHHMUNA/CDR USPACOM HONOLULU HI
RUEHGV/USMISSION GENEVA 1304
RUCPDO/DEPT OF COMMERCE WASHDC
RHHJJPI/PACOM IDHS HONOLULU HI
RHMFISS/HQ USSOCOM MACDILL AFB FL
RHMFISS/HQ USCENTCOM MACDILL AFB FL
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 001174

SIPDIS

SIPDIS

E.O. 12958: DECL: 02/15/2016
TAGS: [PREL](#) [ASEAN](#) [ENRG](#) [KNNP](#) [ETRD](#) [ECON](#) [SOCI](#) [SCUL](#) [MASS](#)
KS, SN, RP, IN
SUBJECT: PRESIDENT KALAM LOOKS FARTHER EAST FOR NEW
PARTNERSHIPS

REF: A. 05 NEW DELHI 5704
[1](#)B. MANILA 0685
[1](#)C. SEOUL 0510

NEW DELHI 00001174 001.4 OF 004

Classified By: PolCouns Geoff Pyatt for Reasons 1.4 (B, D)

[1](#)1. (C) Summary: Giving new reach to India's "Look East" policy, President A.P.J. Abdul Kalam's January 31 to February 9 visit to Singapore, the Philippines and South Korea produced new education, defense and economic initiatives in a region whose importance to the GOI is growing steadily. During the trip, the President announced negotiations for a Comprehensive Economic Partnership Agreement with South Korea, signed a defense agreement for cooperation in maritime security with the Philippines and took initial steps towards an educational partnership with Singapore. Upon his return on February 12, Kalam further highlighted the importance of the Indian Navy's role in Maritime Security in Southeast Asia and the Pacific Ocean while attending the President's Fleet Review, held for the first time on India's east coast in Visakhapatnam. Although the GOI has been "looking east"

since 1991, the DCM of the Singapore High Commission commented that the President's focus on India's Look East Policy shows that India is "not just looking east, but finally doing east." Striving to duplicate the benefits of closer Indian and Japanese cooperation, economics and security interests are motivating the GOI to look farther east. Unspoken in all these overtures is India's desire to reciprocate China's encroachment in the Indian Ocean area. End Summary.

Singapore Seizes Education Opportunities

¶2. (SBU) President Kalam's first stop on his Asian tour was Singapore, India's closest economic and defense partner in Southeast Asia. Reciprocating the Singaporean President's 2003 visit to India, Kalam highlighted educational opportunities between the two countries. During Kalam's January 31 to February 3 visit, the Indian Institute of Science signed an MoU with the National University of Singapore (NUS) to set up a NUS College in Bangalore. The MoU came on the heels of a reversal of the Ministry of Human Resource Development's decision to ban the Indian Institute of Management-Bangalore from setting up a campus in Singapore. Launching a new Indian initiative known as the World Knowledge Platform, Kalam suggested that Asia could use information technology to create a Virtual University Grid. As Institute for Defense Studies and Analysis Senior Fellow Dr. G.V.C. Naidu noted, Singapore is trying to develop links with India in order to cement its status as a regional education center. He suggested that educational links are another recruiting tool for bringing in Indian science and IT talent into the Singaporean economy.

NEW DELHI 00001174 002.4 OF 004

¶3. (C) Singapore High Commission DCM Lee Lorling commented that President Kalam's trip is another sign that India has "finally moved beyond merely Looking East to actually Doing East." Lorling reported that the GOI has approved an Army Colonel as the Singapore High Commission's first Defense Attach, and the governments are working on an agreement for Singapore to use India's Kalaikunda base in West Bengal for its military exercises. After signing a Comprehensive Economic Partnership Agreement in July 2005, the GOI is now considering a proposal to create a Special Economic Zone-like environment to encourage greater investment in India. Singapore hopes to partner with the Japanese, who want to invest more in India but "need a more comfortable and controlled business environment." IDSA's Naidu observed that the Singaporeans are scheduled to join in a Track II Seminar hosted by IDSA and the Japanese Institute for International Affairs in Tokyo on March 9 to discuss opportunities for trilateral cooperation.

Indian Cooperation Matches Philippines Priorities

¶4. (SBU) The President's trip to Manila signaled an enhanced Indian interest in the Philippines and resulted in new opportunities for cooperation in maritime security, agriculture and information technology. According to Iric Arribas from the Philippines Embassy, New Delhi has previously not taken much interest in Manila; there was a 16 year gap since the last Indian Presidential visit and the Philippines repeatedly requested the GOI to return President Ramos' visit to India in 1997. As Arribas observed about the relationship, India had not "looked far east enough." In a speech at a banquet hosted by President Macapagal-Arroyo, Kalam observed that "it is a matter of satisfaction that our bilateral relations are beginning, after a long period of stagnation, to deepen and diversify." With Indian interaction limited to the approximately 30,000 illegal Indian immigrants in the Philippines, many of whom engage in exploitative lending, a recently released BBC World Service poll reported that Philippine views about India are more

negative than any other country in the world.

15. (C) As Indian trade through the South China Sea and the Pacific Ocean increased and the Navy focused on maritime security, New Delhi has recognized the Philippines' role in securing these South China Sea lanes. During President Kalam's February 3-6 visit, the GOI signed the first Defense Agreement with Manila to increase ship visits, training and exchanges at military schools (Ref B). Kalam noted that "the Philippines, which lies in the cusp of Southeast and East Asia, is of great interest to this (Look East) strategic vision which remains incomplete without your country's fullest participation in it."

NEW DELHI 00001174 003.2 OF 004

16. (C) Kalam also explored two initiatives to enhance capabilities in agriculture and information technology. MEA's Undersecretary (South) Ramesh Kumar reported that President Kalam signed an agriculture agreement to boost exchanges, begin training in the dairy sector, launch a joint venture in rice production and explore alternative sources of energy such as biofuel. Arribas suggested that the Philippines is trying to emulate India's success in information technology, and sees room for "co-optition" with Indian IT skills. The Philippines is taking advantage of its English language base and young demographics to set itself up as a "backup site" for American companies or outsourcing from Indian companies. Arribas reported that the Indian National Association for Software and Service Companies (NASSCOM) is planning a trip to Manila to find ways for the two software industries to complement each others' operations.

India Deepens Economic Relations with Korea

17. (C) Although Seoul is one of the biggest investors in the Indian economy, Kalam was the first Indian president ever to visit the Republic of Korea. After two years of FTA joint study group meetings, India and Korea announced the beginning of negotiations for a Comprehensive Economic Partnership Agreement covering goods and services (Ref C). India signed a similar agreement with Singapore in July 2005, but the Korean Embassy's Political Counselor Hyun-Dong Cho noted that these negotiations will be a test case for New Delhi's ability to push through agreements with "OECD countries and major world economies." The negotiations are scheduled to begin in March, with a deadline set for the end of 2007. Cho observed that although there is some non-proliferation related resistance to the US-India civil nuclear agreement within the Korean government, Korean businesses such as Hyundai and Samsung are eyeing opportunities to supply future civil nuclear facilities through joint ventures with American companies in the field.

18. (C) MEA's South Korea Desk Officer Raveesh Kumar noted that interest in Indian-Korean relations has significantly increased on both sides, particularly with the appointment of Foreign Minister Ban Ki-moon. Ki-moon began his career in India, and visited New Delhi in August 2005 for the most recent bilateral Joint Commission Meeting. Although the emphasis of the relationship is on economic content, like India's ties with Japan and Singapore, Kumar noted that the relationship is rounding out to include science and technology, IT, and cultural exchanges. During the visit, India and Korea signed a science and technology agreement and a customs MoU to simplify procedures. Kumar predicted that high-level visits will become an annual event. (NOTE: Koreans form a significant and growing expatriate community

NEW DELHI 00001174 004.2 OF 004

in New Delhi. Many work for large Korean firms doing business in India. END NOTE.)

¶9. (C) Three days after his return, President Kalam underlined the importance of India's eastern waters when he held the first ever President's Fleet Review at the east coast city of Visakhapatnam. The naval fleet review is held once during the tenure of each President, and all previous reviews since 1953 have been held in the west coast city of Mumbai. In his address to the Navy, Kalam noted that "the economic growth of the region depends on heavy transportation in the Indian Ocean, particularly in the Strait of Malacca. The Navy has an increasing role to provide the support necessary for carrying out these operations." Navy Chief Admiral Arun Prakash, widely held to be the principal ideologue of the Navy's decision to engage with countries in the Indian Ocean region, proclaimed that "We are now poised to take our place as a regional power." IDSA's G.V.C. Naidu, a maritime security specialist, commented that India is boosting relations with Singapore, Indonesia, Vietnam, Thailand, Burma and now the Philippines to become a regional supply and training hub. He suggested that many of these countries support a greater role for India to counterbalance Chinese influence.

COMMENT: India Should Keep Looking East

¶10. (C) MEA's Raveesh Kumar joked that "if India looks any farther east, it will eventually get to America." After a short pause, he realized that is exactly what New Delhi is doing. The GOI has not forgotten that Singapore, Korea and the Philippines, close US partners, were all supportive of India's efforts to balance out Chinese influence at the December 2005 East Asian Summit. Korea and Singapore are pushing for economic openings that will also benefit US businesses. As Indian security and economic interests push the GOI to look farther east, this dynamic also helps us achieve many of our strategic foreign policy goals in Asia. Although driven largely by economic synergies (epitomized by the Philippines' aspiration to be a "back office" to Bangalore and Hyderabad), this Asian thrust also has significant strategic implications that will be closely watched in Beijing and beyond.

¶11. (U) Visit New Delhi's Classified Website:
(<http://www.state.sgov.gov/p/sa/newdelhi/>)
MULFORD